

Part I: Fact Sheets



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The GAO Report on U.S.-Venezuela Drug Cooperation: Revisiting the Bush Policy of Politicization

On Monday, July 21, 2009 the U.S. Office of the Comptroller General Government Accountability Office (GAO) issued a report commissioned by the ranking minority member of the Senate Foreign Relations Committee, Republican Senator Richard Lugar.

Specifically, the report was “to determine 1) what is known about cocaine trafficking through Venezuela, 2) what is known about Venezuelan support for Colombian illegal armed groups, and 3) the status of U.S. counternarcotics cooperation since 2002.”

The GAO is considered an independent office that works for the United States Congress. This report however, is quite the opposite, and resembles something out of the political playbook of the hostile George W. Bush administration.

Some of the most egregious inaccuracies are below along with some facts.

Myth: This report shows that the amount of drugs transiting through Venezuela has increased in the last few years and is largely a result of Venezuela’s inability to fight drugs and cooperate with other nations.

Fact: It is true that drugs passing through Venezuela have increased. Venezuelan officials have repeatedly acknowledged this and explained that their location between the region’s number one producer (Colombia) and the world’s number one consumer (the United States) of cocaine makes for a dangerous situation in terms of narco-trafficking. It is not true however, that Venezuela has lacked the ability to carry out counter-narcotics operations or to cooperate with other nations on this important issue.

In fact, Venezuela has demonstrated its clear intention to dismantle drug operations and work together with all interested parties, as long as they respect Venezuelan sovereignty. This is demonstrated most obviously by the 20 extradition orders, this year alone, that Venezuela has honored with Colombia, the United States and other countries.ⁱ

Venezuela has also had successful counter-narcotic partnerships with 37 countries, among them members of the European Union, and has increased its own activities in the fight against drugs. United Nations figures show that Venezuela has the second highest cocaine seizure rates in South America.ⁱⁱ Moreover, as the GAO itself points out, Venezuela has shown an increase in the destruction of drug laboratories, drug seizures, and the destruction of clandestine airstrips.

On many occasions, Venezuela has also tried to work with the U.S., as was the case last year when the two nations were on the verge of reestablishing cooperation, thanks in large part to the initiative of U.S.

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congressmen. Unfortunately, at the very moment that these talks were taking place, the U.S. Drug Czar publicly attacked Venezuela, halting any possible rapprochement on the issue.

Myth: Venezuelan interdiction efforts have drastically fallen since U.S. drug officials (DEA) were asked to leave the country for spying in 2005, and the bulk of Venezuela-U.S. drug cooperation came to a close.

Fact: False. The GAO report, based on a flawed methodology, relies on no new research and primarily on sources from the Executive branch previously released under the openly hostile administration of George W. Bush. The few times that alternative sources are mentioned such as the United Nations, their statistics and findings are not actually included as part of the data in the report.

According to the United Nations, Venezuela holds the world's 4th highest interdiction rateⁱⁱⁱ and the GAO itself notes that Venezuela intercepts about 29% of the drugs (mostly cocaine) passing through its territory.^{iv} According to US government statistics, the United States intercepts roughly the same amount of cocaine in its own territory.

Moreover, in UNODC's 2008 World Report on Drug Seizures, it notes that during the last two years of Venezuela's cooperative agreement with the US on drugs, between 2003 and 2004, a total of 63,498.32 kg of cocaine were seized in Venezuela. In the two year period directly following that, beginning in 2005 when Venezuela asked the DEA to leave the country and chose not to renew a variety of joint cooperation programs, statistics show that Venezuelan cocaine seizures actually increased by 35%.^v

Myth: The Venezuelan government has extended a "lifeline" to Colombian illegal armed groups and provided them with support and safe haven along the Colombian border.

Fact: The statements cited to back these incendiary claims up come from U.S. officials under the Bush administration and Colombian officials that both have a political interest in linking the government of Venezuela with the FARC. Moreover, the "primary sources" of evidence for these claims, as defined by the GAO, come from the infamous computer laptops "captured" by the Colombian National Army in March of 2008. The problem of course, is that the GAO regurgitates the highly politicized statements made by the Colombian government as if they are fact, when in all actuality the contents of the laptops were never authenticated by any independent party.

Interpol said as much during their investigation of the events when they stated that they had never analyzed "the content of documents, folders or other material on the eight seized FARC computer exhibits. The accuracy and source of the user files contained in the eight seized FARC computer exhibits are and always have been outside the scope of Interpol's computer forensic examination."^{vi} Therefore, the claims made as to what exists on these files are left solely up to the Colombian government to decide.

Myth: Corruption linked to drug-trafficking is rampant at the highest levels of the Venezuelan government, including the ministerial level.

Fact: Corruption is still a problem in Venezuela, as in many developing nations throughout the world. However, using outdated and politicized US government reports to reiterate this claim provides no real sense of the situation and is just poor investigation. Moreover, the only other sources referred to are entities that are openly hostile to the government of Venezuela such as Transparency International who ranks Colombia, where more than 60 legislators have been labeled official suspects in that country's para-politics scandal, as less corrupt than Venezuela. Finally, given the Colombian government's relationship with the FARC, whom

they consider a domestic terrorist group, the alleged testimony extracted from FARC prisoners during closed interrogation sessions should at a minimum be looked upon with some measure of doubt.

Conclusion

This report was leaked to the press before its formal publication, in an obvious attempt by certain right wing sectors of the previous administration, to set the parameters of the debate before Venezuela had the opportunity to review it. According to the Venezuelan embassy, the GAO was made aware of the situation but still refused Venezuela the right to access the report before its official release date set for Monday, July 20th.

Although the GAO did not make any official recommendations, after receiving the report, Republican Senator Lugar stated that the findings reflect "corruption in that country's government" and "require at a minimum a comprehensive review of U.S. policy towards Venezuela."^{vii}

The government of George W. Bush politicized all possible areas of cooperation between Venezuela and the United States. As the Financial Times points out, while paraphrasing Venezuelan Ambassador Bernardo Alvarez, "the main sources for the study – which describes corruption at the highest levels of government as well as being widespread in the national guard – were from within the former US administration, which enjoyed notoriously poor relations with Mr. Chávez and even backed a failed coup against him in 2002."^{viii}

By using a mediocre methodology that relies solely on old information and lacks a variety of credible sources, the GAO has does nothing but replicate this politicized modus operandi. It is unfortunate that during a time when many saw improved relations between the Chavez and Obama administrations within reach, the GAO has allowed itself to be used to put forward a poor report that will only serve to sow more seeds of mistrust.

ⁱ Jones, Rachel. "Venezuela to Deport Top Italian Mafia Suspect." Associated Press, June 23, 2009.

ⁱⁱ "Venezuela Has Second Highest Number of Cocaine Seizures in South America." Embassy of Venezuela in the United States, July 16, 2009. <http://www.embavenez-us.org/news.php?nid=5116>

ⁱⁱⁱ 2008 World Drug Report, United Nations Office on Drugs and Crime.

http://www.unodc.org/documents/wdr/WDR_2008/SEIZURE_Tables.pdf

^{iv} US GAO Report "Drug Control: U.S. Counternarcotics Cooperation with Venezuela Has Declined," Government Accountability Office (GAO), July 20, 2009. <http://www.gao.gov/products/GAO-09-806>

^v 2008 World Drug Report, p.25, United Nations Office on Drugs and Crime.

http://www.unodc.org/documents/wdr/WDR_2008/SEIZURE_Tables.pdf

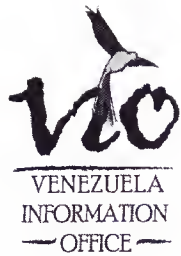
^{vi} "INTERPOL's Forensic Report on FARC computers and hardware seized by Colombia," Press Statement by Ronald K. Noble, Interpol Secretary General, May 15, 2008.

<http://www.interpol.int/Public/ICPO/speeches/2008/SGbogota20080516.asp>

^{vii} Chris Kraul, "Venezuela's anti-drug efforts fall short, U.S. says" Los Angeles Times, July 21, 2009.

http://www.latimes.com/news/nationworld/world/la-fg-venez-drugs21-2009jul21_0,3075773.story

^{viii} MANDER, BENEDICT. "VENEZUELA SLAMS US REPORT ON DRUGS", LOS ANGELES TIMES, JULY 23, 2009. [HTTP://WWW.FT.COM/CMS/S/0/6C69BF84-77CF-11DE-9713-00144FEABDC0.HTML](http://www.ft.com/cms/S/0/6C69BF84-77CF-11DE-9713-00144FEABDC0.HTML)



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Venezuela & Increased Colombian Militarization

Following an announcement on July 20, 2009 made by President Alvaro Uribe, that Colombia would permit the United States to utilize at least 3 Colombian air bases (now up to 7) and increase its military personnel in the country from the current capacity of less than 300 soldiers to 800 soldiers,ⁱ allegedly to help with anti-narcotics operations, President Hugo Chavez announced that neighboring Venezuela would undergo a revision in its relations with Colombia. Chavez's concern, also expressed by a number of regional leaders, is that allowing the United States, a country with established hostility towards Venezuela, access to territory on Venezuela's borders is an openly aggressive act and puts his country's national security at risk.

Just a few days later on July 26, 2009, the Colombian government leveled attacks against Venezuela, alleging that 3 anti-tank rocket launchers found in a FARC guerilla camp had been provided by the Venezuelan government.ⁱⁱ Uribe claimed that if he hadn't released this information the rebels would, "fire them and obtain more and no one in the international community will halt their sale."ⁱⁱⁱ President Chavez rejected the claims and announced that he would recall Venezuela's Ambassador to Colombia.^{iv}

The anti-tank launchers in question were actually found in October of last year, leaving many to wonder why the Colombian government withheld this information until this particular moment.^v Upon further investigation by Venezuela, President Chavez reminded the press that in 1995 the Venezuelan National Guard had shared a public document with the Colombian government showing that 5 anti-tank rocket launchers had been stolen during an armed excursion into Venezuelan territory by the FARC. This was 4 years before Chavez became the president of Venezuela.

Politicizing the Debate

In Latin America, Venezuela has faced the brunt of the demonization waged by the George W. Bush administration under the auspices of the so-called "war on terror", while Colombia has been advanced as the model democracy most intricately involved in the fight against narco-terrorism.

Early on, Venezuela was characterized by the Bush administration as an impediment to the national security of the United States. With critical help from the Colombian government, the Bush administration and sectors of the right wing U.S. political establishment have continuously floated a series of false accusations as facts through biased news reports and the issuing of factually inaccurate US government agency reports. They have wrongly branded Venezuela as a country that supports and harbors terrorists.

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While testifying before the U.S. Congress last year, OAS Secretary General José Miguel Insulza pondered, “does Venezuela support terrorist groups? I don't think so. There is no evidence, and no member country, including this one [the U.S.] has offered the OAS such proof.”^{vi}

Colombian Decision is a Threat to the Region

It is not only Venezuela who is alarmed over this increase in US military aid to Colombia. The regional body of South American nations, UNASUR, on August 28, 2009 expressed concern over the military capabilities it could afford the United States and reminded them of the sovereignty of all nations in the region. “The presence of foreign military forces -with their means and resources linked to their own objectives- cannot threaten the sovereignty and integrity of any other South American nation, and in consequence threaten the peace and security of the region.” Even the former Colombian Defense Minister Rafael Pardo stated the arrangement is “like lending your apartment's balcony to someone from outside the block so that he can spy on your neighbors.”^{vii}

The region seems to agree. Brazilian President Lula de Silva said the idea of a U.S. military base in Colombia doesn't please him,^{viii} Ecuador called it “worrying”, and Bolivia suggested it was “treason.”

ⁱ Hugh Bronstein, “Colombia backs plan for increased U.S. military aid,” *Reuters* 21 Jul. 2009.
<http://www.reuters.com/article/worldNews/idUSTRE56J5NC20090721>

ⁱⁱ “Rebels Obtained Arms Sold to Venezuela, Colombia Says,” *New York Times* 27 Jul. 2009.
<http://www.nytimes.com/2009/07/28/world/americas/28Colombia.html>

ⁱⁱⁱ Ibid.

^{iv} “Venezuela Freezes Ties With Colombia, Recalls Ambassador,” *Voice of America* 29 Jul. 2009.
<http://www.voanews.com/english/2009-07-29-voa10.cfm>

^v “Rebels Obtained Arms Sold to Venezuela, Colombia Says,” *New York Times* 27 Jul. 2009.
<http://www.nytimes.com/2009/07/28/world/americas/28Colombia.html>

^{vi} “OAS Chief to US Congress: No Venezuela-Terrorist Link,” *AFP* 10 Apr. 2008. <http://www.rethinkvenezuela.com/news/04-10-08afp.html>

^{vii} Ibid.

^{viii} Carlos Caminada and Joshua Goodman, “Lula Says US Military Base in Colombia Doesn't ‘Please’ Him,” *Bloomberg* 30 Jul. 2009. <http://www.bloomberg.com/apps/news?pid=20601086&sid=a7fWY0fi.PJY>

Part II: Internet Information

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Olivia Burlingame Gombri

From: VIO News & Action [newsandaction@veninfo.org]
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Subject: VIO News & Action - Miami Herald Falsely Presents Opposition Claims as Fact



VIO Venezuela News and Action

Dear Friends and Colleagues,

Over the past few weeks, a number of US media outlets have reported on Venezuelan opposition allegations that corruption charges brought against opposition leader Manuel Rosales are evidence of "political persecution." More often than not these outlets fail to inform the public that pro-government officials have also had to face corruption charges themselves, a fact that discredits the notion that the Venezuelan judiciary is engaged in selective prosecution. You can read a [news article on one such case here](#)

MIAMI HERALD PRESENTS VENEZUELAN OPPOSITION CLAIMS AS FACT

On Friday of last week, a piece in the Miami Herald went much further than previous news articles, by actually presenting the opposition's claim as fact. In an article entitled "Hugo Chávez tightens control by silencing adversaries" reporter Tyler Bridges states that President Hugo Chavez "chased a political rival out of Venezuela on charges of stealing public funds" in reference to Manuel Rosales' decision to take up exile in Peru rather than face corruption charges in the Venezuelan courts. The article also accuses Chavez of jailing a "former loyal general on corruption charges" and taking over nearly the entire budget of Caracas' new mayor, Antonio Ledezma.

Although it is not unusual for the Miami Herald to publish biased and one-sided accounts of Venezuelan current events, this latest piece crosses the line of ethical journalism by directly incorporating the talking points of sectors of the Venezuelan opposition into its news reporting.

WRITE TO THE EDITORS OF THE MIAMI HERALD

Please write to the editors of the Miami Herald to remind them that, though they may dislike the Venezuelan government, they still have a duty to report facts as facts and opinions as opinions in order to permit their readers to have a genuine understanding of Venezuela's complex political reality. Tell the Herald that they should cease to present unsubstantiated claims as if they were objective facts, and should introduce more balance and more diverse perspectives in their news reporting.

Send a concise message of no more than 200 words to: HeraldEd@MiamiHerald.com and remember to include your full name, address and daytime phone number.

Here are some points you can raise in your letter:

- There is no evidence to back the article's assertion that President Hugo Chavez "chased a political rival out of Venezuela on charges of stealing public funds." In fact, Manuel Rosales decided to flee the country rather than face corruption charges in court.

- There is no evidence of irregularities or of violation of due process rights in the judicial process surrounding the Rosales case. As early as 2004, the Comptroller's Office began an investigation on the potential misuse of public funds by Rosales during the years 2002-2004, when he was governor of the state of Zulia. In 2007, the Comptroller's Office asked the Attorney General's office to act, based on the results of the investigation. And in late 2008, a public prosecutor in Zulia filed criminal charges against Rosales that held him responsible for acquiring private land, filling offshore bank accounts with public money, and accepting bribes from private companies seeking contracts with the State. Rosales was summoned to appear in court on April 20th but instead chose to seek asylum in Peru.

- The Venezuelan opposition's argument that the country's judicial branch is controlled by President Chavez and engaged in selective prosecution of the government's political adversaries does not stand up to scrutiny. The crack down on corruption that has taken place in recent months has led to charges being brought against both opposition and pro-government officials, including the ex governor Yaracuy, Carlos Giménez, and the former mayor of Caracas, Juan Barreto. Unfortunately, much of the US press, including the Miami Herald, fails to inform readers of the cases of indicted pro-government officials leaving readers with a skewed vision of how the judiciary really functions in Venezuela.

- Similarly, the Herald article reports that "Security agents with guns drawn arrested former Gen. Raúl Isaias Baduel" ostensibly for being "his fiercest foe within the armed forces." Baduel was in fact arrested, in accordance with the law, after having failed to appear in court seven times to testify regarding the disappearance of over \$14 million during his tenure as defense minister.

- The article asserts that "many [unnamed] analysts" are comparing Venezuela to Peru under Alberto Fujimori, who "ran roughshod over the country's constitution, controlled most media outlets and repressed the opposition selectively..." The Herald, however, fails to offer any real evidence that Chavez has done any of these things.

- The article states that Chavez has "near control of the airwaves" following the non-renewal of the broadcast license of RCTV. This is a blatant falsehood given that private media broadcasters still retain control of over 70% of the airwaves.

- According to the Herald piece, Caracas police broke up a union protest "with tear gas and rubber bullets" when in fact those measures were taken against a group of opposition protesters who tried to pass over police barricades and take the march down an unauthorized route. The only serious injuries reported were of police officers who were injured by rocks and glass bottles that were thrown at them.

- Most absurdly, the article suggests the government is purging public libraries of books by Arturo Uslar Pietri, Antoine de Saint-Exupery and Alfred Hitchcock because they "write about the values of capitalism and consumer society." None of these authors have previously been associated with any form of capitalist ideology nor have they ever been the object of criticism from the Venezuelan government. In response to various articles that have reported on these claims in Venezuela's private media, the National Autonomous Library Institute and Library Services General Director, Ignacio Barreto, denounced the accusations as false and, in an open letter written on March 31st, explained that the only books that have been removed from libraries (but not destroyed) are those that are no longer useable due to their deteriorated state.

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From: Venezuela Information Office [vio@veninfo.org]
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VIO Venezuela News and Action

COUP IN HONDURAS CONDEMNED BY VENEZUELA AND INTERNATIONAL COMMUNITY

Since Sunday, when a military Coup d'Etat was carried out against the democratically elected President of Honduras, Manuel Zelaya Rosales, Venezuela and ALBA member states have called on the international community not to recognize any other president but Zelaya and to demand his immediate and unconditional return.

During the early morning hours of Sunday, the Honduran President was kidnapped from his home along with other top officials including the foreign minister who was held against her will on a military base until her release yesterday evening. Shortly after the President's forced removal, he was taken to Costa Rica where he has outspokenly renounced the actions that led to his departure from his homeland. Unlike the accounts being given by those who now control the country through military force, he has declared that he did not resign nor did he ever agree to hand over power.

Yesterday, heads of the member states of ALBA met in Nicaragua with the Honduran President and released a statement declaring, among other things, that "the member States of ALBA have decided to order our Ambassadors to leave their posts, leaving the minimal diplomatic representation in Tegucigalpa, until the legitimate government of President Manuel Zelaya Rosales has been reinstated. Accordingly, we will recognize only the Honduran diplomatic representation appointed by President Zelaya in our Countries, and under no circumstances will we accredit any personnel appointed by usurpers."

During the meeting yesterday ALBA made it clear that they are committed to pursuing all means at their disposal to enable Zelaya's return to the presidency. In earlier statements the regional bloc also condemned the kidnapping of the Cuban, Venezuelan, and Nicaraguan Ambassadors who were abused before being released. You can [read the full ALBA statement here](#).

The United Nations has come out strongly against the Coup d'Etat and has urged the illegitimate defacto government to reinstate the democratic president immediately. President Obama and the State Department have also condemned the power grab and stated that Washington will not recognize any government other than Zelaya's, however they have stopped short of calling it a Coup d'Etat because doing so would imply the need for Washington to cut off economic relations and aid that currently funds many of political parties who participated in the illegal overthrow of the democratically elected government Sunday.

WHAT YOU CAN DO

Bring yourself up to date with the most recent analysis of the unfolding situation by the Latin America Information Office (LAIO) , which the VIO is now a project of, and find out how you can contact your members of Congress and the Obama Administration to demand President Manuel Zelaya's immediate and unconditional return to the presidency in Honduras.

TELESUR JOURNALISTS ILLEGALLY TAKEN INTO CUSTODY BY COUP GOVERNMENT

Monday afternoon, accounts surfaced that Telesur, the only media outlet providing non-stop coverage in Honduras since the coup Sunday, had been detained by the defacto military government headed by Roberto Micheletti. According to breaking news on Telesur, Adriana Sivori, the correspondent for the regional television news network, was taken into custody along with her cameraman by force from their hotel rooms. All of their identification documents were confiscated by the military and they were beaten.

Due to mounting pressure from international organizations such as the OAS and the UN, they along with three Associated Press reporters were released hours later. However, they reported that there is currently a crackdown on all media in Honduras.

AMBASSADOR ALVAREZ RETURNS TO HIS POST IN WASHINGTON

Last Friday Venezuelan Ambassador Bernardo Alvarez arrived back in the US capital to resume his post. His return to the U.S. was enabled by a decision made by Caracas and Washington to annul the persona non grata status imposed against their respective ambassadors in September of 2008. Upon his return, the Venezuelan representative of President Hugo Chavez told the press that, "the reestablishment of ambassadors constitutes the first step in normalizing relations, recovering the political and diplomatic relations at the ambassadorial level, and reclaiming common ground in bilateral relations, such as in the area of energy cooperation." He also pointed to "the historical importance of the decision of both presidents to choose the most expedient path towards the normalization of relations."

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Part III: Articles

INTER-AMERICAN DIALOGUE'S

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FEATURED Q&A

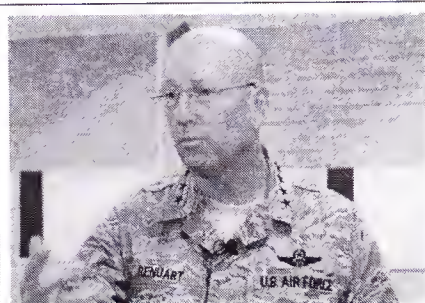
What is Motivating Chavez's Nationalization Drive?

Q Venezuelan President Hugo Chavez on March 4 ordered the expropriation of a Cargill rice processing plant after demanding that food companies produce cheaper rice. He has also threatened to nationalize the operations of the country's largest food company, Empresas Polar. What is motivating Chavez's desires to seize these businesses? What will be the consequences of Chavez's pledge to pay for expropriations in bonds instead of cash? How will these actions affect domestic and international businesses currently operating in Venezuela?

proven method of destroying a national economy. PDVSA today is producing only two barrels of oil for every three it generated before Chavez, and production continues to fall. The seizure of the Cargill plant is only the latest Chavez muddle that will further reduce Venezuela's wealth. With oil income at a fraction of last year's, Chavez should be encouraging private enterprise, not strangling it. But Chavez's ideology blinds him to the disaster that his 21st-century socialism foretells. He only need examine Cuban food production statistics

Continued on page 3

A Guest Comment: Otto Reich: "When authoritarian governments make mistakes, they often compound them with more serious errors. For example, in 1982 the Argentine military dictatorship attempted to distract the people from its incompetent and unpopular rule by invading the British-held Falkland Islands, a popular, nationalistic blunder. The silver lining of that invasion was the end of military rule after the Argentine defeat. Hugo Chavez now provides the latest illustration of the demagogues' art. After creating food shortages by forcing artificially low prices on producers, Chavez blames the victim, the producers. Chavez, the man who has presided over the dismemberment of the goose that laid the golden Venezuelan egg—the national oil company, PDVSA—is applying his mentor Fidel Castro's



US Nears Completion of Plan to Address Mexico Drug Violence

Gen. Gene Renuart, the head of the US military's Northern Command, told members of Congress Tuesday that US officials are nearing completion of a plan to address Mexico's escalating drug violence. See story on page 2.

File Photo: US Defense Department.

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NEWS BRIEFS

At Least 11 Killed After Truck Crashes into Tour Bus in Mexico

At least 11 people were killed in northern Mexico when their tour bus was struck by an allegedly drunken tractor-trailer driver, officials said Tuesday, according to the Associated Press. The victims, seven Americans, three Canadians and their Mexican driver, were killed Monday when the truck slammed into the bus near Saltillo, in the state of Coahuila. Sixteen people were also injured in the crash.

Mexico Details Tariffs on US Products to Start Thursday

Mexico on Wednesday released further details on the import tariffs it plans to apply to US products in retaliation for the suspension of a pilot program allowing Mexican truckers access to US highways. According to Mexico's official gazette, the country will raise tariffs between 10 and 20 percent on diverse products including certain fruits and vegetables, wine, juices, batteries and toilet paper, plus a 45 percent tariff on unspecified "fresh" products. The tariffs are slated to enter into vigor on Thursday.

Russian Consortium Considering Offshore Oil Exploration in Cuba

A group of five of Russia's biggest energy companies is considering leasing up to 15,440 square miles to search for oil off the Cuban coast, a Cuban official said Tuesday, reported Reuters. The Russians are looking at 15 blocks in Cuba's exclusive economic zone in the Gulf of Mexico, which is divided into a total of 59 blocks, including 21 already under lease to other oil companies. **China National Petroleum Corporation** and Angola's national oil company also expressed interest in developing blocks, according to the report.

Political News**Military Leader: US Officials to Unveil Plan on Mexico Drug Violence**

US government officials could finish by this week an integrated plan to address Mexico's escalating war against drug cartels, a top US military leader told a Senate committee Tuesday, Reuters reported. Air Force Gen. Gene Renuart told members

"The Mexican government is taking aggressive action to win."

— Gen. Gene Renuart

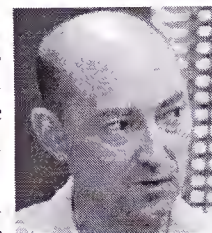
of the Senate Armed Services Committee that officials are currently working on the plan, in which the military, law enforcement and other government agencies would participate. "This is a whole of government problem and I think the best response is an integrated approach and we're working toward that aggressively," said Renuart, the head of the military's Northern Command. "I think we'll have good plans come out of this work this week." Already, the US military is using techniques to enforce border security, including unmanned aircraft and technology that can locate tunnels. But a team of officials from various government agencies is working on the new initiative to confront Mexico's war on drug traffickers. Mexican President Felipe Calderon has mobilized tens of thousands of troops to fight traffickers. More than 7,000 people have been killed in drug-related violence in Mexico since the beginning of last year. Also, drug-related violence and kidnappings have spilled north of the border. When asked whether the Mexican government is winning the fight against cartels, Renuart said the country is fighting hard. "The Mexican government is taking aggressive action to win," he said. "They are building momentum. I would not say they are losing."

Colombia's FARC Guerrillas Free Last Known Foreign Captive

The Revolutionary Armed Forces of Colombia (FARC) on Tuesday freed the last foreigner known to be held hostage by the guerrilla group, the Associated Press reported. The rebels turned over Erik Roland Larsson, a 69-year-old Swedish retiree, to detectives in the northern state of Cordoba. Larsson was released near his ranch, from which he had been kidnapped in May 2007. "For us, it's obviously a very happy day," said Swedish Embassy counselor Tommy Stromberg. Larsson, whose body was left half-paralyzed by an apparent stroke, was examined by doctors after his release and was to be flown to Bogota, said Colombia's DAS intelligence agency. The FARC had demanded a \$5 million ransom for Larsson, but it is unclear whether it was paid. Last month, Larsson's son, Tommy, a resident of Sweden, said he had recently received a video showing that his father was alive. "Daddy is old and sick," Tommy Larsson said at the time. "He looks weak." The FARC still holds captive at least 22 Colombian police officers and soldiers.

US Watching Increased Iranian Activity in Latin America

Iran is becoming more active in Latin America and the Caribbean and is conducting activity in support of the militant Lebanese group Hezbollah, a top US military official said Tuesday on Capitol Hill, Reuters reported. Navy Admiral James Stavridis, the head of the US military's Southern Command, told members of the Senate Armed Services Committee that Hezbollah is also involved in drug trafficking in Colombia. "We have seen ... an increase in a wide level of activity by the Iranian government in this region," Stavridis said. "That is a concern principally because of the connections between the government of Iran, which is a state sponsor of terrorism, and



Stavridis

File Photo: US Department of Defense

Hezbollah." Stavridis said the activities of Hezbollah, which the US State Department considers a terrorist group, are focused in Colombia and the tri-border area where Brazil, Argentina and Paraguay meet. Hezbollah has denied involvement in drug trafficking and money laundering, and has said such accusations amount to propaganda. US Defense Department officials have expressed concern about Iran's activities in Latin America before. In January, Defense Secretary Robert Gates told senators he was more concerned about the Middle Eastern country's "meddling" than he was about Russia's activities in the region.

Company News

Argentine President Announces Plan to Nationalize Lockheed Facility

Argentine President Cristina Fernandez announced Tuesday that she is sending legislation to Congress to nationalize a **Lockheed Martin** airplane maintenance facility, the Associated Press reported. Nationalizing **Lockheed Martin Aircraft Argentina** would increase industrial production in Argentina by putting development of aeronautical technology and production under state control, Fernandez said. The announcement was not a surprise as the US-based defense contractor had preliminary agreements with Argentina last year to transfer ownership of the company to the state. "We have an open dialogue with the Ministry of Defense and will work together to carry out any required decisions to exercise the contractual obligations related to the transition," said Rob Gross, a spokesman for Lockheed Martin, which is based in Bethesda, Md. If lawmakers approve the nationalization, Argentina will most likely pay 67 million pesos (\$US 18.3 million) for the company and will allow the company's 1,050 employees to keep their jobs, said the Defense Ministry.



Fernandez

File Photo: Argentine Govt.

Featured Q&A

Continued from page 1

of the 20th century to see that under 'socialism,' Cuba dropped from the top

"Chavez should be encouraging private enterprise, not strangling it."

— **Otto Reich**

three Latin American per capita protein consumers in the 1950's to the bottom three today. Let Chavez continue to distract; there may be a silver lining in the Venezuelan clouds."

A **Guest Comment: Olivia Burlingame Gombri:** "The Venezuelan government has not 'expropriated' the Cargill rice processing plant in question. President Chavez's statement on March 4 was a move to do so, but since then nothing has happened and Cargill has not been expropriated. Therefore, the present discussion is based on a false assumption. The real issue here is one of regulatory compliance. Companies operating in Venezuela, as in any other country, are expected to comply with federal laws. The laws set forth by the Chavez administration in consultation with voters are designed to protect the national interest and to guarantee social justice. Cargill's rice plant was sidestepping price controls that keep basic foodstuffs affordable for all Venezuelans. The Law on Food Security and Sovereignty established quotas for the proportion of staple foods to be regulated. It states that 80 percent of rice must be white rice, the variety most eaten by Venezuelans. Cargill's plant produced no white rice, and instead prepared another variety to skirt regulations. Fortunately, Cargill has said the company 'is committed to the production of food in Venezuela that

complies with all laws and regulations,' and that it 'is respectful of the Venezuelan government decision.' Given that the rice plant has not in fact been expropriated, Cargill's sizeable assets in Venezuela remain unaffected. The Law on Food Security was designed to make food available and affordable, and boost domestic agricultural production. The failure of some companies to abide by regulations that protect access to affordable basic foods is what motivates the government to scrutinize the operations of producers. Finally, 'expropriation' is a misnomer here, because all previous nationalizations in Venezuela have been compensated for at market value. In the

"Companies operating in Venezuela, as in any other country, are expected to comply with federal laws."

— **Olivia Burlingame Gombri**

event that Cargill's factory were bought out by the government and paid for in bonds, this would have little if any consequence. Credit Suisse recently recommended an 'overweight' position in Venezuelan bonds, expecting Venezuelan bonds to outperform this year."

A **Guest Comment: Francisco J. Gonzalez:** "President Chavez can be called a number of things, including an enemy of the US or an ideologue. In this case, however, he is drawing on one of his most-developed traits: that of a master politician. At a time when the Venezuelan economy is suffering greatly from a severe shortfall in revenues and his social programs are starting to show their real economic cost, plus his government's inability to engage the productive agents in the country, Chavez resorted to a few actions with high political 'punch.'

Continued on page 4

Featured Q&A

Continued from page 3

The culprit? The US, via one of its agents. The issue? Threatening the country's supply of food. The solution? Take them over. Never mind that nobody knows how the nationalized facilities will be managed and how effective bureaucrats will be in producing rice (in the case of

“Never mind that nobody knows how the nationalized facilities will be managed.”

— Francisco J. Gonzalez

Cargill) at ridiculously low prices just to appease a population that has become used to governmental intervention. Sadly, the experience in other countries as well as in Venezuela shows that nationalized entities very seldom deliver and usually perform well below the standard of the legacy private companies. Chavez's government has been fairly straightforward when it comes to compensating for nationalized entities. I don't see any reason why a payment in bonds would be so detrimental. There is, after all, a very active market for Venezuelan paper. How will these actions be seen outside Venezuela? There will always be a certain amount of skepticism. It is not as though these efforts are something new. Many of our clients doing business there have been preparing for a 'Plan B.' In the meantime, there is no need to retreat completely from doing business in Venezuela. There is still too much money to be made there in certain areas. That's why I think that even some of the (previously forced out) oil companies may be considering going back in."

Guest Comment: Daniel Hellinger: "Several recent interventions by the Chavez administration into the agricultural and forestry sectors take nationalization into uncharted territory in Venezuela. Earlier nationalizations were in telecom-

munications, metallurgy, etc.—with only a couple exceptions sectors that were state-owned in the past. The latest moves against certain installations of Cargill and the Mendoza family (Polar) have three motivations that cannot be entirely separated from one another: ideological, economic, and labor-related. Bolivarian labor leaders and their followers have put pressure on the government with job actions at several plants. Their demands involve a mixture of direct employment issues and allegations of violations of Venezuelan price-control laws. Although the president sees these measures as socialist, I believe that the immediate problem of inflation, the fall in oil prices and the longer-term structural weaknesses in the agriculture are more pressing. Both Polar and Cargill are primarily engaged in food processing and distribution in Venezuela. Cargill is heavily engaged in financial speculation in futures, and given recent trends in commodities we should not dismiss the government's charges of manipulation of supply and pricing. The government lacks the administrative capacity to run the domestic agricultural sector. I believe that Chavez's main goal is to put teeth into price control mechanisms and insist that agribusiness produce staples. This is a legitimate goal, but at some point the government is going to have to deal with deeper structural issues in the economy, whether it intends to become more deeply involved in agriculture and food distribution or not."

Otto Reich is a former US assistant secretary of state for Western Hemisphere affairs and is currently president of Otto Reich Associates LLC in Washington.

Olivia Burlingame Gombri is executive director of the Latin America Information Office in Washington.

Francisco J. Gonzalez is chair of the international services group at Adorno & Yoss LLP in Miami.

Daniel Hellinger is a professor of political science at Webster University in St. Louis.

Latin America Advisor

is published every business day by the Inter-American Dialogue, Copyright © 2009

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Latin America Advisor is published every business day, except for major US holidays, by the Inter-American Dialogue
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Washington, DC 20036
Phone: 202-822-9002 Fax: 202-822-9553

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Chávez, Obama opening new 'Veins' Chávez, Obama opening new

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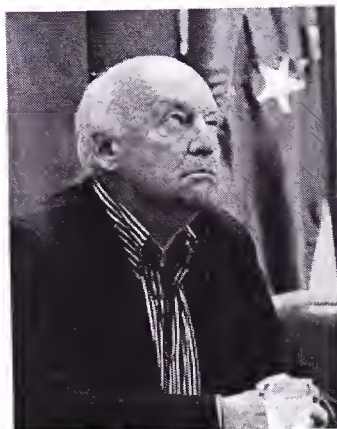
Chávez, Obama opening new 'Veins'

Updated Friday, April 24th 2009, 3:06 PM



Watson/Getty

Venezuela's President Hugo Chavez (r.), hands President Barack Obama the book titled "The Open Veins of Latin America" at the Summit of the Americas in Trinidad and Tobago.



Matilde Campodonico/AP

Uruguayan writer Eduardo Galeano in 2008.

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When Venezuelan leader Hugo Chávez handed President Obama a copy of "Open Veins of Latin America" in Spanish last Friday, many in the U.S. scrambled to find out anything about the book.

"[The media has] done some quick homework," said Michael Yates, editorial director of the Monthly Review Press, which first published the English-language version of the classic Latin American essay 36 years ago.

"If you asked people about ['Open Veins'] before, they wouldn't have known about it."

Two days later, the book had shot to No. 2 on Amazon's best-seller list, but the initial reporting on the book was sort of amusing if not revealing. Many media outlets didn't even give the name of the author.

9/28/2009 2:11 PM

The author is of course the prolific Uruguayan Eduardo Galeano, who first published "Las Venas Abiertas de América Latina" in 1971 (Siglo XXI Editores, Mexico).

Among many Latin Americans, the tome is considered a sort of bible of anti-U.S. and European imperialism. But in the United States, it has been relegated "mostly [to] classroom use," said Yates.

"It's an accessible, well-written and dynamic book," he adds. "Galeano gives you such a powerful overview. It's an emotionally charged book."

In the work, subtitled "Five Centuries of the Pillage of a Continent," Galeano, now 69, summarizes the abuse of Latin America's natural resources since Columbus' trips, blaming Western imperialism for most of the region's long-lasting poverty.

But to others, it's just leftist propaganda. "It is a poorly researched diatribe against everything to the right of Karl Marx," wrote one reader on Amazon. "Socialism is the cause of the problems in Latin America today, not the solution."

According to Galeano's literary agent, Susan Bergholz, the author declined hundreds of interview requests that followed Chávez's very public gift.

A spokeswoman for the Venezuelan government said that she believed it was "just a coincidence" that Chávez handed Obama at the Summit of the Americas a copy in Spanish of a book easily accessible in English.

"President Chavez had not planned on giving the book to President Obama, and just happened to have the Spanish copy with him," Megan Morrissey of the D.C.-based Venezuela Information Office said via e-mail.

"The gesture, I believe, was significant in that it was a reminder that history matters," she added. "President Obama had said in speeches before that he wanted to put the past behind him in terms of relations with other countries, and President Chávez was not alone in asserting that this is not an entirely realistic approach from the perspective of other leaders in the Americas."

Galeano has written more than 35 books, many of them translated into several languages, including the well-known trilogy "Memoria del Fuego" ("Memory of Fire"), published between 1982 and 1986.

A journalist and writer of both fiction and nonfiction, he lived in exile for more than a decade starting in the early '70s after being incarcerated on the heels of a military coup in Uruguay.

In the process, he gained a reputation and following.

"Writers in Europe and Latin America can gain mass audiences and respect for what they do, [but] we don't have a literary culture here," said Yates.

The New York-based Monthly Review Press, which is affiliated with the socialist Monthly Review magazine, publishes mostly leftist titles. The press had "Open Veins" translated in 1973 by the late Cedric Belfrage, a writer who was the founder of the defunct daily newspaper the National Guardian.

A 25th-anniversary edition of "Open Veins" with a new introduction by Isabel Allende was published in 1997.

According to Yates, the book has sold well into the six figures since its publication, but the recent popularity has resulted in bigger demand than ever and new conversations with their printers.

"Chávez reflects the yearning of the masses," Yates said, explaining the Venezuelan leader's book choice, "of poor people in Latin America and throughout the world."

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GHIGGS

8:41:31 PM Apr 25, 2009 The foundation of good diplomacy is to come to real understanding between the engaged parties. Steeping oneself in the literature of their respective cultures only enhances the collaboration between them I think it was a genuine and spontaneous gesture from Pres. Chavez to Pres. Obama. With our past leaders ignoring and disrespecting leaders of other nations, it's a welcome and refreshing change to see our own President listening and giving his attention to his own respective counterparts. The reason why these world leaders is simple, blunt-minded, ignorant racist contempt. I think I can say with confidence; We are so tired of that malicious tradition!

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